BK renews burger war with new ad campaign

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that is the centerpiece of the campaign.

In that ad, Mr. and Mrs. Michael MacDonald and their three children appear in their living room wearing funny glasses with fake mustaches and clown-like noses. They give the reasons why they switched to Burger King, tell viewers to do the same and then shout in unison, "Tell 'em the MacDonalds sent you."

Burger King account executives at J. Walter Thompson agency in New York are credited with dreaming up the spot. The agency hired an outside firm to contact 750 families named MacDonald or McDonald.

Forty of the families qualified as switchers to Burger King, according to Steve Bowen Jr., an agency senior vice president. They were screened by telephone and six were asked to come in for a camera test.

Mr. and Mrs. Michael MacDonald and their family agreed to appear in the commercial. The family dog was replaced by a trained dog, however, because the family's pet was uncooperative.

Grinning broadly after screening the ad for reporters, Craig said the spot "upholds our reputation as controversial and outrageous. We're committed to finding out if McDonald's has a sense of humor."

Last year, no one at McDonald's was laughing when Burger King ads claimed consumers preferred the Whopper to McDonald's Big Mac and Wendy's Single Burger. McDonald's and Wendy's sued Burger King for "false and misleading" advertising, but the matters were settled out of court.

Craig and Bowen said they do not expect any lawsuits this year if only because most food service and advertising executives agreed that McDonald's and Wendy's blundered by filing suits and drawing media attention to Burger King's ads.

"We will forever be thankful for the McDonald's suit," Craig exclaimed. Bowen agreed that the lawsuits helped make the "battle of the burgers" one of the most publicized ad campaigns in history.

While none of the other ads in the current campaign are as controversial as the MacDonald's spot, each scores points against the competition without naming them.

In one, Emmanuel Lewis, a young boy who appeared in last year's ads, asks viewers what took them so long to switch to Burger King. (Lewis is starring in a TV series, "Webster," this fall.)

In "Tick Tock," Burger King products are shown as an announcer intones that in the past year someone switched to Burger King every 10 seconds of every day.

In the third spot, a Burger King crew member tells a crew member from an unidentified chain that millions of people have switched to Burger King in the last year. The ad mentions the "broiling beat frying" and "battle of the burgers" themes of the past.

"We somewhat enjoy doing the controversial," Craig said. "We were looking for a way to bring all the themes of the past year together. We're not using competitors names as we did in our recent waves of comparative ads. We will retain our whimsical approach, hoping to discover that our competitors have a sense of humor."

Contacted a few days before the ads appeared, a McDonald's spokesman declined to comment.

This is the biggest media blitz in Burger King history, and Craig explained that the results of previous "battle of the burgers" ads more than justify the $40 million price tag for the four-month campaign.

Burger King's parent company, Pillsbury, generally considered very conservative, has been supportive of what's going on in its fast-food division.

When he travelled to Pillsbury headquarters in Minneapolis to show the new ads to chief executive William Spoor and president Win Wallin, he wore the gag glasses used by the MacDonald family.

Spoor and Wallin laughed and told him to keep thinking young, Craig said.

Burger King's advertising approach has shaken up the fast-food industry. In addition to McDonald's and Wendy's suing Burger King last year, Wendy's recently won a suit against a small Ohio sandwich chain, Big Bite. Wendy's objected to the use of a Wendy trademark in Big Bite's ads.

Wendy's itself has aired TV commercials this summer which poked fun at the food, service and cooking systems at "those other burger chains." Craig said he didn't like those ads because they made the fast-food industry look bad.

"Everything we're doing is reinforcing quality," he said, adding that Burger King has helped generate consumer interest in all fast-food restaurants.

Keenan leaves as Pizza Time ceo

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ny-owned units in the United States and a few foreign countries. Company revenues were $99 million in 1982.

After the early success of Pizza Time and its major competitor, ShowBiz Pizza Place, owned by the Brock Hotel Corp., several imitators entered the field. In many areas saturation came quickly and sales and profits on the unit level began decreasing. Stock prices dropped and brokers stopped recommending buys in these chains.

Many industry observers and executives say that after the current shakeout only one or two chains that offer the pizza-and-entertainment concept will survive. Many predict Chuck E. Cheese, being the first and the biggest, will be a survivor.

But all agree the games and the animated characters are not enough to draw customers back to the centers. They say the quality of the food and service must be upgraded.

Pizza Time is testing in some of its company stores in California a new pizza with a different crust and is expected to roll out some new sandwiches by early next year. It is also testing a new service concept for the chain: dining-room hostesses who will help families with their children and see that customers don't have to get back in line for reorders.

Besides the Chuck E. Cheese restaurants, there were two other divisions formed in the reorganization.

One is Zapp's, a new restaurant concept. It is a limited-menu bar-and-grill, geared toward young adults, featuring a video arcade and pub games like pool, darts and shuffleboard. The first unit opened in San Jose in July and two more are under construction in Tampa and Dallas.

Gene H. Landrum will be president of Zapp's. He was senior vice president of development for Pizza Time Theater.

The third division is Sente Inc., which has been a wholly owned subsidiary of Pizza Time. Sente is developing new electronic games for marketing and distribution next year. The president will be Robert Lundquist, who was vice president of games operations for Pizza Time.

Before entering the food-service field, Bushnell was developing and marketing electronic games. He founded Atari in 1972. Two years later Keenan joined Bushnell, merging his own company, Kee Games, with Atari. Warner Communications bought Atari in 1976. Three years later Bushnell left Warner to spend his time building up Pizza Time Theater. Keenan joined him soon after that, to become chief operating officer and president.

Bonanza, Primo agree to offer joint franchises

(Continued from page 3)
Sister's, for franchisees eager to build up territories already saturated with Wendy's units and Bonanza itself developed the People's concept as a replacement for Bonanza budget steakhouses in some markets.

The Primo concepts, Brunetti said, were devised to fill a now-vacant market niche for "appropriate" fast food in shopping malls.

Traditional concepts such as McDonald's and Burger King, Brunetti claimed, are inappropriate for a shopping mall environment because their operational systems are geared for all-day high volumes, and they require a great deal of space, sometimes as much as 7,000 sq. ft.

These concepts are wrong for shopping malls, he continued, because malls cannot provide a drive-up window, they close early, and often have slack business at night, when the free-standing fast-food operations can do well.

Primo operations, on the other hand, are designed so they can be run by very few people on a very small piece of high-rent shopping mall property, Brunetti said.

"This system addresses the major problem fo most concepts out there in that it can adjust to the extreme fluctuations of business in a mall," the executive pointed out.

He also suggested that the menu mix of Primo concepts might lend itself more to shopping mall environment than the normal fast-food menu would. Drake's Salad Bar features a variety of salads, while Primo's Frisco Deli offers a wide range of hot and cold delicatessen-style sandwiches.

Prolonged drought proves a boon for operators

(Continued from page 3)
bles, including broccoli, Brussels sprouts, cauliflower and baby lima beans, were lowered in price by one major West Coast packer at the end of August. Other processors are expected to follow that lead during September. The price drops were actually an adjustment to meet the discounting which has been in effect for most larger buyers for the past number of weeks.

Not all frozen vegetables will fare so well. Peas are expected to stay at list and advance slowly during the year, since the carryover was down and the pack did not make objectives originally set by packers. Corn, both cut kernels and cobs, are in good shape in food-service sizes, and prices are expected to remain fairly stable during the rest of the pack year.

In canned vegetables, the drought has hit tomatoes in the Midwest, and the pack will not be as large as originally forecast, even with California's majority contribution. In the last week of August, one packer raised its prices on canned tomatoes, with two others out of the market entirely.

Green beans are moving up in price, with scattered increases being posted, mostly by Midwest and Ozark packers. Sweetpotatoes are a question mark, because there has been a healthy (30%) carryover from last year, but a decrease in the anticipated pack, due to a cutback in acreage this season.

Fruit Picture Mixed

The predicted short supply of cling peaches has been borne out by the reduced pack size through the end of August. The pack at that point was down by 45% from last year, 36% from the year before and even 16% down from 1980, which was considered a disastrous year. While the food-service size is selling at list prices, expect adjustments upward to be made within the next month by most packers.

Apricots will be almost nonexistent by the end of the season, according to one California agricultural economist, and the price will be so "steep that most operators won't be able to justify their expense anyway." Fruit cocktail and fruits for salad will also be in short supply, but not at the crisis level as are apricots. But expect increases by the end of the year or early in 1984.

One of the bright spots is canned applesauce. There is a good supply this year from the major producing area, the Northeast.

Farm-raised catfish production was up 42% over last year, which was also a record year. About half is sold frozen and half iced. . . . The red salmon pack will be a good one this year, but the king (sockeye) pack is substantially off. Pink will up a bare 8%. . . . Large imported canned hams have not been performing well because of heavy import levels. The price for both Holland and Polish 8- to 12-lb. hams has dropped by several cents per pound in the past month or so.

Lettuce, after some "yo-yo" swings usual for this time of the year, has settled down in the California Coast producing areas to about the $4 to $6 range, depending upon quality and size. . . . Food-service Fench fry prices are expected to rise as the price of vegetable oils used to blanch them rises.

Eller discloses plan to sell one-third of Swensen's pie

(Continued from page 2)
chairman, made his first fortune from a media empire that held billboard advertising firm, radio and TV stations and newspapers. Today he is also chairman of Circle K convenience stores and a director of such companies as Columbia Pictures and Eastern Airlines. He played a key role in the Coca-Cola purchase of Columbia.

Eller bought Swensen's through a subsidiary, Red River Resources, for $9 million in cash and notes, but many of its franchisees had already defaulted on development schedules and the company's coffers were stunted by loose and low-yielding royalty contracts.

The company drafted a new franchise deal and bought back the rights to such markets as Chicago, Cleveland, Dallas, Houston and Los Angeles. Most of the 35 stores it picked up in the maneuver turned out to be klinkers.

As growth ground to a halt, Eller switched chief executives again, hiring Schoenleb, a 49-year-old Arby's and Burger King veteran, who changed the management team once again.

Schoenleb also instituted new management and operations procedures, including a nationwide purchasing plan, a food-cost control system for company stores and new systems for rating franchisee performance, screening new franchisees and enforcing royalty payments.

The company says it still has a lot of weakness in its franchise system. Eleven of the 31 existing territorial development agreements are in default of development schedules. They call for 34 stores to be built next year.

New franchise contracts call for 5½% royalties, but the average remains below 5%. However, 85% of the stores are now covered by an advertising co-op.

The company is carrying about $30 million of lease liabilities on its books, but has stopped leasing sites to franchisees to limit its exposure. It also stopped guaranteeing construction loans for franchisees.

Nevertheless the company has about $6.6 million in tax-loss carry-forward which could boost any future earnings and it remains a strong market force in California.

HoJo moving H.Q. to N. Quincy

BRAINTREE, Mass.—Howard Johnson Co. says it will relocate corporate headquarters to a new facility in North Quincy, Mass., by early next year.

The company has signed a 10-year lease to occupy three floors of a 7-story, 332,000-sq.-ft. building. The move will bring under one roof Howard Johnson's 540 headquarters employees, currently working in several facilities.

FINANCIAL NEWS

Taco Viva reports 63% net profit gain for fiscal '83

POMPANO BEACH, Fla.—Taco Viva, operator of 56 Mexican fast-food restaurants, reported that net profit for the fiscal year ended May 31 increased 63% over last year's $494,000 to $804,000.

Sales for the year were up 29%, from $12.2 million to $15.7 million.

At a meeting of financial analysts last month in Chicago, president Brion Foulke III said that fiscal 1983 results were "in line with our expectations; however, our current sales increases are running well ahead of what we had anticipated."

He said Taco Viva had forecast a 35% growth rate for fiscal 1984 but that first quarter results would be higher than that.

Taco Viva finished the last fiscal year with 46 restaurants and added 10 in the first quarter.

"Our plans anticipated concluding fiscal 1984 with 60 to 65 restaurants," Foulke told the analysts. "It appears likely that we may top that figure."

Seven of the 10 units opened during the first quarter were conversions from Tacos Olé, a chain acquired in late June for 80,300 shares of Taco Viva common stock, with a market value of about $1.1 million. The seven former Tacos Olé units, all located in Florida, had total annual sales over $2 million.

Richard W. Hissing, president of Tacos Olé, joined Taco Viva as director of development.

"The acquisition of Tacos Olé will accomplish our long-sought goal of being the dominant Mexican restaurant chain in Miami," said Foulke. He added, "Dick Hissing's knowledge of our business and the south Florida market will make an important contribution."

Fifty-four of Taco Viva's units are in Florida; the other two are in Augusta and Athens, Ga. Nelson Futch, marketing director, said the first Atlanta unit was expected to open in a mall Sept. 29.

Piccadilly's '83 profits off 28%

BATON ROUGE, La.—Piccadilly Cafeterias posted a 28% net profit decline to $6 million for the year ended June 30 compared to fiscal 1982.

Sales rose 7% year-to-year to $152.7 million.

The company said earnings slipped because of a prior-year supply inventory adjustment, increased pension and hospitalization costs, a write-down on marketable securities and a 2% customer-count decrease.

Fourth-quarter net profit was $908,000, a 37% falloff from the same time last year, and sales were $39 million, a 5% gain.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended Sept. 9							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin							Last Fiscal Year (Per Share)		
					Change		52-Week						Last Fiscal Year					Latest P/E Ratio	Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
Name	Symbol	High	Low	Close	Amt.	Pct.	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days		Amt.	Pct.				Amt.	Yield		Revenue	Earnings				
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Acapulco Y Los	ALAR	6.38	5.75	6.38	.50	8.51	7.88	5.00	-.27	2.87	1.25	45.85	.05	.21 S	NE	-7.0	.3	37.5	.00	.0	01-06-81	37.1	.1	1.4	6.13	2.99	1082
Am Motor Inns	INN	32.25	30.88	31.50	.13	.40	38.50	18.75	-.28	-.50	6.79	31.11	2.52	.42 F	20.0	53.0	7.9	12.5	.25	.8	08-10-83	175.1	13.9	1.6	15.08	13.00	0782
ARA Services	ARA	52.00	46.00	52.00	5.75	12.43	55.00	31.25	.01	1.24	.14	16.63	3.43	.52 N	15.0	-2.0	1.4	13.1	2.05	3.9	08-26-83	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	17.50	16.75	17.25	.50	2.99	18.50	3.66	.14	-.73	-2.28	1.08	.39	.13 N	30.9	-7.0	2.2	31.4	.12	.7	07-05-83	78.6	1.7	1.6	4.40	5.05	0982
Beefsteak Char	BCS	7.13	6.63	7.00	.25	3.70	9.75	4.50	-.02	.83	-2.21	-24.32	.88	.04 S	5.7	48.0	3.7	9.6	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	29.50	28.25	29.50	1.00	3.51	33.50	18.00	-.59	-.12	1.90	-3.99	1.11	.09 Q	8.4	23.0	6.9	25.7	.30	1.0	08-08-83	187.5	13.0	3.0	.00	6.92	0483
Bonanza Intl Inc	BNZA	7.38	6.75	7.38	.63	9.26	7.38	1.75	.16	-.18	.21	-46.98	.11	3.06 S	NE	-85.0	3.1	36.9	.00	.0	00-00-00	16.1	.5	1.6	9.70	1.67	1282
Brock Hotel Cp	BHC	8.50	6.88	8.00	1.00	14.29	14.38	6.88	-.03	-.63	-.33	-48.78	.55	-.54 S	-76.0	4.0	2.8	47.1	.10	1.3	06-13-83	255.6	7.1	1.1	16.64	4.38	1282
Calny Food	CLNY	15.00	14.25	15.00	.25	1.69	17.25	5.66	-.08	.39	-.03	-16.67	.80	.14 Q	20.2	8.0	4.6	18.1	.20	1.3	07-27-83	30.2	1.4	.4	3.71	2.24	0283
Captain Crabs	CRAB	8.38	6.50	8.25	1.25	17.86	8.38	1.00	.72	2.18	3.91	-14.11	.00	.00 N	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0682
Carrols Cp	CRL	11.75	8.75	11.50	2.50	27.78	11.75	1.88	.46	-.12	1.38	-26.44	.50	.28 F	127.2	437.0	3.6	23.0	.06	.5	08-29-83	85.2	3.1	.6	3.28	2.00	0582
Chart House	CHHO	34.88	31.88	34.38	2.25	7.00	37.75	20.63	-.17	-.65	1.78	-2.27	2.08	.09 S	4.3	15.0	4.9	15.8	.60	1.7	06-24-83	382.0	18.7	1.0	9.21	13.12	1282
Chi-Chis	CHIC	37.63	32.75	37.13	3.38	10.00	37.63	12.50	.09	-.50	-.27	-17.78	.59	.34 Q	100.0	456.0	9.4	54.6	.00	.0	12-20-82	94.2	8.9	2.6	2.81	2.43	0483
Ch Full O Nut	CHF	20.13	18.38	20.13	.75	3.87	24.38	12.50	-.11	1.59	2.82	.95	.34	.10 N	25.0	11.0	1.4	40.3	.50	2.5	07-15-83	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	24.88	23.13	24.25	.25	1.04	33.50	20.34	-.99	.54	3.89	-55.51	2.19	-.06 S	-2.6	14.0	10.1	10.9	.72	3.0	05-20-83	413.1	41.6	1.8	.62	11.74	1282
Cindys Inc	CNDYC	3.88	3.50	3.88	.38	10.71	4.00	3.00	.35	1.34	-.82	-29.21	.13	.46 S	NE	87.0	2.1	13.4	.00	.0	00-00-00	14.3	.3	.0	4.63	.43	1282
Collins Foods	CF	19.50	15.75	18.38	2.38	14.84	19.84	10.44	-.30	-1.31	.77	-29.25	1.47	.32 Q	26.0	29.0	3.8	11.9	.20	1.1	09-23-83	324.4	12.4	1.8	4.14	8.71	0483
Consul Corp	CNSL	18.25	16.50	18.25	1.50	8.96	18.75	7.25	.16	1.30	1.35	-17.09	.26	.26 F	NC	69.0	2.5	70.2	.00	.0	00-00-00	32.4	.8	.7	2.21	2.88	0682
Cracker Barrel	CBRL	22.25	21.25	21.75	.50	2.35	27.34	7.16	-.46	-.86	-2.82	-18.02	.69	.21 N	31.8	28.0	3.7	25.0	.14	.6	08-30-83	35.4	1.3	1.9	3.57	4.46	0782
Dennys Inc	DEN	31.63	29.75	30.00	-1.00	-3.23	36.88	26.38	-.50	-1.41	2.10	39.05	2.54	.14 F	5.8	11.0	3.8	11.8	.72	2.4	09-02-83	1054.6	40.2	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	24.50	21.38	24.25	2.88	13.45	28.75	12.69	-.06	1.73	2.59	-6.48	1.40	.22 N	16.2	25.0	9.4	15.4	.28	1.2	08-15-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	24.63	23.75	24.63	.38	1.55	26.88	9.38	-.04	.00	-8.64	-38.46	1.92	.12 F	6.6	22.0	3.7	12.8	.40	1.6	09-28-83	110.6	4.1	1.3	5.95	15.14	0583
Godfathers Pizza	GFPZ	21.88	16.88	21.88	4.25	24.11	25.50	11.50	-.09	3.76	5.19	-12.13	.65	-.01 S	-1.5	115.0	15.8	34.2	.00	.0	00-00-00	37.9	6.0	2.1	.55	1.99	1282
Hambrg Hamlet	HAMB	12.00	11.50	11.50	-.50	-4.17	12.00	5.75	-.25	-.31	-.62	.00	-1.10	-2.45 F	-181.4	-22.0	-2.4	NE	.00	.0	00-00-00	34.0	-.8	.7	20.45	13.07	0382
Hardwicke	HAWK	.75	.63	.63	-.13	-16.67	2.00	.63	-1.70	-.51	-2.61	-50.00	-12.59	-9.67 Q	NE	-137.0	-89.4	NE	.00	.0	00-00-00	27.4	-24.5	.3	12.03	-4.31	0982
Hilton Hotels	HLT	55.00	51.00	54.63	2.13	4.05	60.25	34.88	-.02	1.01	-2.77	17.76	3.04	-.83 S	-22.0	8.0	14.4	18.6	1.80	3.3	08-29-83	562.9	81.3	2.0	6.73	21.31	1282
Holiday Inns	HIA	53.75	48.25	53.00	4.25	8.72	59.00	31.00	-.10	.50	-1.45	.02	2.50	.16 S	5.8	13.0	6.8	18.3	.84	1.6	09-12-83	1425.3	97.2	.9	11.74	25.35	1282
Horn & Hardart	HOR	27.38	23.88	26.88	2.75	11.40	32.34	11.13	.15	.27	-1.76	-31.62	.74	.37 S	62.7	952.0	2.8	28.0	.00	.0	07-12-83	235.4	6.6	1.1	9.46	4.77	1282
Hungry Tiger	HTIG	10.75	9.25	10.25	1.00	10.81	12.25	5.34	.40	-1.56	4.68	-32.50	.78	-.21 N	-25.9	17.0	3.8	17.1	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0682
Imperial Grp	IMT	1.75	1.63	1.69	-.06	-3.57	2.06	1.56	-.11	-1.12	1.20	-29.76	.47	-.10 S	-17.2	6.0	2.6	3.5	.11	6.5	09-27-83	7742.8	198.3	1.1	.54	1.92	1082
Intl Dairy Queen	INDQ	32.50	29.50	32.50	-1.50	-4.41	40.00	16.25	-.80	2.08	-.26	1.54	2.17	.68 S	36.7	62.0	6.3	12.8	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	20.75	17.75	20.75	1.50	7.79	22.94	3.00	-.55	4.00	-.83	7.29	.92	.72 F	360.0	696.0	4.8	22.6	.00	.0	08-15-83	50.0	2.4	.3	2.46	2.26	0682
JBs Rest	JBBB	17.00	16.00	16.75	.50	3.08	18.13	6.50	.04	-.17	-1.61	-9.57	.93	.21 N	25.3	12.0	3.5	16.1	.20	1.2	08-08-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	19.63	17.38	19.63	2.13	12.14	23.50	16.75	-.06	-.12	-.20	-13.66	1.33	-.07 F	-5.0	27.0	4.6	14.8	.12	.6	05-09-83	454.1	21.0	.9	2.91	8.99	0682
Kapok Tr Inns	KTI	8.63	8.13	8.25	-.25	-2.94	10.75	3.00	-.41	-.69	-1.67	7.50	-.37	-.54 N	NE	-52.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	17.13	16.13	16.88	.00	.00	24.50	12.13	-.33	.21	-2.60	-.79	.40	.09 Q	27.2	57.0	5.9	40.2	.00	.0	10-13-82	40.8	2.4	.9	.89	4.40	0382
Karcher Carl	CARL	33.75	31.75	33.00	1.00	3.13	34.13	12.31	-.02	-.67	-1.92	1.60	1.32	.29 Q	24.5	23.0	4.0	22.4	.00	.0	02-16-83	231.0	9.3	2.4	8.31	8.13	0183
Lubys Cafe	LUB	33.25	32.25	33.00	.00	.00	35.00	21.50	.06	.17	2.61	-19.11	1.35	.18 N	13.8	30.0	9.1	22.3	.60	1.8	09-02-83	127.3	11.6	1.9	.64	6.79	0682
Marcus Corp	MRCS	13.50	12.75	13.50	.75	5.88	15.13	6.75	-.05	.48	-4.60	-36.75	1.28	.15 F	13.2	5.0	6.1	10.5	.25	1.9	07-01-83	108.9	6.6	.8	2.98	9.76	0582
Marriott Corp	MHS	76.50	74.00	75.88	1.13	1.51	81.00	43.00	.01	-.01	-.32	-24.27	3.44	.43 S	13.0	37.0	3.7	20.4	.36	.5	09-19-83	2541.4	94.3	.9	33.49	19.43	1282
McDonalds Cp	MCD	63.38	57.38	62.25	3.88	6.64	74.50	53.38	.02	.27	-1.88	1.82	5.00	.63 S	13.4	23.0	11.1	11.7	1.00	1.6	05-24-83	2715.2	300.6	.5	17.62	25.51	1282
Morrison Inc	MORR	20.00	17.50	19.88	1.88	10.42	21.06	11.44	-.19	1.25	2.69	37.04	1.34	.24 F	21.8	11.0	4.4	14.8	.40	2.0	08-01-83	421.5	18.7	1.4	2.81	7.52	0582
Mr Steak	MSST	8.88	8.50	8.88	.38	4.41	10.50	1.88	-.44	.44	-2.10	30.57	-.98	-.17 N	NE	-38.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.75	1.91	2.75	.84	44.26	2.75	.94	.96	6.63	5.33	-8.06	.09	.06 F	200.0	34.0	1.1	30.6	.00	.0	09-09-83	17.5	.2	.8	.05	1.79	0383
Naugles Inc	NAUG	21.75	17.75	20.63	.88	4.43	32.75	10.31	-1.68	-.80	2.45	-29.42	.70	.11 F	18.6	162.0	3.6	29.5	.00	.0	11-01-82	86.7	3.1	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	17.00	15.50	16.00	-1.00	-5.88	18.50	10.00	-.18	-2.44	5.71	65.00	.69	-.81 N	-90.0	-10.0	.4	177.8	.32	2.0	06-09-83	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	5.75	5.50	5.50	.00	.00	7.88	4.38	-.28	-.52	-1.91	-37.31	-.25	-.41 N	-273.3	17.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0682
Peoples Rest	PEPL	13.00	11.63	12.75	.50	4.08	15.13	5.75	-.32	-.52	5.00	-18.10	.28	.09 F	47.3	771.0	7.0	45.5	.00	.0	00-00-00	27.3	1.9	.5	.75	2.39	0682
Piccadilly Caf	PICC	13.75	12.75	13.63	.25	1.87	18.13	12.75	-.85	.66	2.75	6.99	.99	-.40 F	-28.7	7.0	3.9	13.8	.60	4.4	09-09-83	152.7	6.0	1.9	.00	7.29	0682
Pizza Inn	PZA	14.00	12.88	13.13	-.88	-6.25	17.50	4.22	-.66	-1.71	-2.68	7.24	.55	-.44 S	97.7	5.0	1.3	14.7	.04	.3	07-12-83	135.1	1.7	.9	12.32	6.63	1282
Pizza Time Thea	CHKY	16.25	12.75	14.75	1.25	9.26	27.00	12.00	-.14	-2.38	1.09	-36.69	1.27	-.81 S	-75.7	268.0	7.6	56.7	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	20.25	16.88	19.00	2.13	12.59	25.25	13.00	-.59	-1.74	1.90	-20.11	1.50	.13 S	9.1	-3.0	2.8	12.3	.33	1.7	06-08-83	376.7	10.4	.8	8.03	12.43	0283
Ramada Inns	RAM	10.50	9.13	9.75	-.50	-4.88	11.88	4.25	-.39	-2.06	-2.61	20.38	-.73	-.45 S	NE	-38.0	-3.6	NE	.00	.0	10-19-81	547.5	-19.8	.6	18.50	5.12	1282
Restaur Assc	RA	9.25	8.75	9.00	.50	5.88	11.38	3.88	.02	.14	-.85	-5.34	.77	.06 S	9.2	40.0	1.8	12.7	.00	.0	00-00-00	104.8	1.9	1.0	3.98	7.15	1282
Ryans Fam Steak	RYAN	26.00	22.50	26.00	2.25	9.47	28.25	3.44	-.11	1.07	3.40	.19	.33	.07 S	21.8	89.0	10.6	66.7	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	35.63	33.63	33.63	-.88	-2.54	40.25	14.63	-.32	-.81	-.16	-2.46	2.19	.51 F	30.3	98.0	2.3	15.4	.36	1.1	06-02-83	978.8	22.4	.9	4.26	8.86	0682
Sandwich Chef	SHEF	14.25	12.00	14.25	2.50	21.28	15.50	11.50	-.21	2.88	6.56	15.03	.70	.70 F	NC	30.0	4.5	20.4	.00	.0	00-00-00	20.2	.9	.6	.50	3.42	0682
Sea Galley	SEAG	13.25	11.50	12.00	-1.38	-10.28	15.00	5.50	-.04	-.16	1.00	-32.07	.02	-.91 Q	-135.8	-12.0	-.6	NE	.00	.0	06-02-81	70.1	-.4	1.3	5.10	4.90	1282
Servico Inc	SRVI	16.13	15.69	16.00	-.13	-.78	17.94	7.50	.20	.12	.23	-51.20	.67	-.40 S	-41.6	27.0	1.5	28.6	.00	.0	09-09-83	138.1	2.1	1.1	59.81	5.64	1282
Shoneys Inc	SHON	23.50	23.00	23.25	-.13	-.53	27.38	14.63	-.12	-.31	1.28	31.95	.86	.25 S	34.7	28.0	5.1	24.0	.15	.6	10-03-83	324.9	16.6	1.0	2.65	5.02	1082
Sizzler Rest Intl	SIZZ	13.25	11.25	13.25	1.75	15.22	16.25	8.50	.03	-.02	3.00	-43.38	.59	.96 S	NC	8.0	2.5	13.8	.00	.0	00-00-00	113.7	2.8	1.0	2.33	4.63	0482
Skippers	SKIP	12.75	12.25	12.75	.25	2.00	15.50	4.16	-.58	.08	-.68	-33.17	.48	.46 S	135.2	19.0	2.6	15.9	.08	.6	03-31-83	38.1	1.0	.5	3.38	6.69	1282
Sonesta Hotel	SNSTZ	15.50	15.00	15.50	.50	3.33	16.50	13.50	-.33	.35	-2.59	.00	.28	-.14 S	-21.5	-1.0	.9	30.4	.20	1.3	06-13-83	80.1	.7	1.1	26.22	9.51	1282
So Hospitality	SHOS	5.25	5.00	5.00	-.25	-4.76	7.50	1.38	-.73	-.26	6.90	23.14	.27	.08 F	42.1	111.0	3.8	18.5	.00	.0	00-00-00	26.3	1.0	1.0	2.29	-.20	0582
Steak n Shake	STAK	8.38	8.00	8.38	.13	1.52	9.25	2.63	-.18	.08	.47	-19.65	.18	.15 N	166.6	-12.0	1.4	34.9	.00	.0	05-17-79	57.2	.8	1.1	4.94	2.76	0982
Victoria Stations	VSTA	9.25	8.63	9.25	.63	7.25	13.63	5.00	-.62	-.31	-4.64	-5.23	-2.39	-2.76 Q	-725.0	-79.0	-7.1	NE	.00	.0	09-19-79	111.9	-8.0	.6	8.39	8.51	0383
Wendys Intl	WEN	16.38	14.88	15.88	.75	4.96	19.63	12.09	-.16	.52	-.34	-9.33	1.13	.15 S	14.2	22.0	7.3	13.2	.24	1.5	08-08-83	604.3	44.1	.8	2.53	6.50	1282
Webb Del E	WBB	18.38	16.38	18.38	1.38	8.09	25.00	6.38	-.46	.55	1.11	22.61	.16	.38 S	NE	-23.0	.5	612.5	.00	.0	11-07-80	311.2	1.5	.9	11.32	13.71	1282
Western Steer	WSMP	13.25	13.25	13.25	.00	.00	17.50	8.00	-.09	-.29	-2.90	-8.08	.92	-.08 Q	-7.5	6.0	3.1	13.5	.16	1.2	08-29-83	28.8	.9	1.3	6.21	7.23	0283
Winners Cp	WNER	14.25	14.00	14.00	.00	.00	17.13	8.16	-.47	-.52	-.43	15.35	.63	.01 S	1.6	11.0	2.6	23.0	.00	.0	03-10-83	83.1	2.2	.5	7.06	6.43	1282

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Bob Evans Farms Restaurant div.	3 mos.	7/29	$ 30.0	15.0			$2.500	13.0
Piccadilly Cafeterias	3 mos. 12 mos.	6/30	39.0 152.7	5.0 7.0			0.908 6.000	(37.0) (28.0)
Calny	3 mos.	5/21	8.1	24.0			0.291	30.0
Esteban's Mexican Foods	3 mos. 6 mos.	7/2	2.4 4.7	43.0 51.0			0.102 0.082	— —
Family Entertainment	3 mos. 6 mos.	7/3	5.8 11.1	148.0 190.0			0.240 0.515	— —
Pizza Inn	3 mos. 6 mos.	6/26			$37.4 72.4	7.5 4.9	1.000 2.000	127.0 121.0
Taco Viva	12 mos.	5/31	15.7	29.0			0.804	63.0

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Pizza Inn profit increases 127%

DALLAS—Pizza Inn reported that profit for the second quarter ended June 26 increased 127% over the same quarter last year, from $443,000 to $1 million.

Company revenues for the quarter went up 7.5%, from $34.7 million to $37.4 million.

Meanwhile Pizza Inn this month completed the sale of convertible subordinated debentures, at 10% and $16.75 a share, for a total of about $10 million.

R. D. Phillips Sr., financial vice president, said the money would be used for expansion of both Pizza Inn and the company's newest restaurant concept, J. T. McCord's.

For the first six months of this fiscal year Pizza Inn reported net profits of $2 million, a 121% increase over last year's $885,000. Revenues for the six months were up 4.9% to $72.4 million from $69 million last year.

In addition, chairman and president F. J. Spillman reported that average sales at company-operated restaurants during the first half of the year were up about 11% over the same period last year.

He also reported that food costs, as a percentage of sales, were down 3% during the first half.

Max & Erma's makes offering

COLUMBUS, Ohio—Max & Erma's Restaurants, an 11-unit chain of elaborate pub-dinnerhouses, is seeking to raise up to $6 million to simplify a myriad of interlocking partnerships.

The chain grew and developed by raising money through private partnerships. But since the company went public late last year, the wide variety of ownership agreements has apparently confused investors and stunted earnings.

Max & Erma's, therefore, has filed with the U.S. Securities and Exchange Commission to sell 300,000 units at $18 to $20 each. Each unit consists of two shares of stock and one warrant.

In addition, the proceeds would be used to build two more Max & Erma's, pay down debt and expand and improve some existing units.

But about $1.8 million will be used to buy out partners. The company says the move will improve its cash flow and cut administrative expenses.

If Max & Erma's had not had partners, according to its pro forma adjustments, its net profits for the 28-week period ended May 15 would have been $26,000 higher at $177,000.

The restaurants, located largely in the Ohio Valley, feature an eclectic Americana decor, with lots of antiques, brass and mahogany. They may range as large as 15,000 sq. ft., seat 200 diners and gross $1.3 million, 34% of which comes through the bar.

After the equity sale, the key officers' stake in the firm would decline to about 40% from 63% of the company. Barry Zacks, chairman, chief executive and founder, would hold 30% of the company's stock, down from 47%.

Esteban's Mexican Foods reverses loss in first half

MINNEAPOLIS—Esteban's Mexican Foods reported a profit of $101,724 for the second quarter, ended July 2, compared to a loss of $78,630 in the same period last year.

Sales for the quarter increased 43% to $2.4 million, from $1.69 million last year.

The company also sells food products under the trade name Charrito. This division accounted for 24% of the company's total sales during the first six months of this year. Last year during that period it accounted for 19%.

Profits for the first six months were $82,236, compared to a loss last year of $157,075. Sales through July 2 increased 51% to $4.7 million, from $3 million during the same period last year. R. Stephen Tanner, chairman and president, said sales' gains were due to an increased number of operating restaurants.

Moreover, tighter administrative cost controls, Tanner said, resulted in improved operating profits during the quarter.

HoJo testing new concepts, recasting others

(Continued from page 1)

ny officials are said to expect the changes to generate per-unit sales growth of better than 15% on the current base of $1 million a store.

Long awaited change appears to be rolling along at the Howard Johnson restaurant group, too. About 800 Howard Johnson restaurants are still open, 490 regular company-owned units plus 86 on turnpikes and an additional 225 licensed orange roofs.

This fall a new Howard Johnson restaurant prototype, designated "Up and Away" in company planning sessions and menu mock-ups will open in six locations.

Exterior changes are expected to be most critical: addition of greenhouses, sunroofs and likely elimination of the traditional orange roofs.

One division executive, noting spending of $150 million in the last seven years, mostly for redoing interiors, said, "We spent all that money, but we didn't tell the public we were doing anything different."

At Howard Johnson's 500-unit, 60,000-room motor lodge system (11,000 rooms in company-owned lodges), a refurbishment program this year and next is supposed to help shift the system from its traditional family dominated guest mix to one with a greater share of commercial travelers.

This fiscal year $11 million is going into the revamp at company lodges; for next year $15 million is budgeted.

A year-old program of segregating whole floors of lodges for traveling businessmen and providing them with special amenities, including free breakfast, for $4-$5 extra a night, is also spreading through the system.

The sales and market share growth overall company strategy aims at generating is necessary, observers say, not only to avoid a repeat of a period of earnings stagnation just now ending, but also to yield a satisfactory return to Britain's Imperial Group, which acquired Howard Johnson at the end of 1980 in a $630 million deal.

Russo and other officials noted that while primary growth is still expected to come from Ground Round, with about 10% unit expansion per year scheduled, and from the company's newly formed full-service hotel group, extensive real estate holdings make a continuing necessity of opening up options for redeployment of assets involved in current operations.

He said current thinking at Howard Johnson under Michael Hostage, who became chairman and president of the company almost two years ago, is that "concept evaluation" is a continuous process.

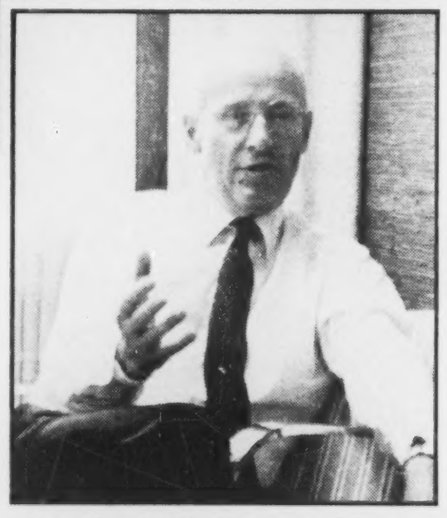
"There is no comfort zone," Russo said. "When you begin to take your eye off the target in terms of becoming comfortable with menu and concept, you're in trouble."

The Hostage-directed revamp of the company has not only concerned itself with restaurants and lodges.

A "zero-based" review of the company's extensive manufacturing and distribution operations, considering on a line by line basis whether the least cost to Howard Johnson was to make or buy has resulted in plant closings in Miami and in Queens Village, N.Y., in recent months.

Manufacturing facilities remain in Brockton, Quincy, and Braintree, Mass., and Baltimore.

Manufacturing of products the company specializes in such as ice cream, fried clams, shrimp and prebreaded fried chicken continues. Processing of products like ham and bacon that can be bought outside more efficiently has been stopped.



First Bumbershoots unit in Framingham, Mass. (above). Robert M. Hamilton, (inset) sr. vp purchasing, manufacturing and distribution.

Distribution continues from Howard Johnson centers in Atlanta, Baltimore, Cleveland, Chicago, Brockton and Bedford, Mass. But other distributors are now used too and items bought outside are taken f.o.b. the suppliers plant and least-cost trucking arranged from that point.

With the refurbishment of lodges and the full-service hotel expansion getting under way, business for the company's Landmark Supply, hotel furnishings and equipment supply arm is expected to be healthy.

The company is also taking some steps toward building a food-service management business, using its extensive vending operations as a base.

As a first step, vending operations were combined with tollway restaurants and gift shops administratively so that the operation could draw on some restaurant expertise.

The pitches have been successful in a number of cases, according to group vice president John K. Delahunt Jr.

While Howard Johnson's final slipping of the wraps off some concrete business plans will be to many the most colorful and interesting part of changes going on at the company, most important to the success of all the new and repositioned restaurant and lodging concepts and other business lines may be some major changes in personnel administration at the company.

Most significant among these are a reduction in the work week for Ground Round managers and some orange roof managers, a boost in incentives for lower level Howard Johnson restaurant and Ground Round managers, the addition of better than 100,000 man hours of labor to the orange roof restaurants, a program giving adjacent lodges and restaurants one general manager and a "Certification Program" for Howard Johnson restaurant and lodge employees who come into contact with the public.

The Certification Program is a system designed to eliminate or avoid hire of employees with a tendency to be rude to customers and to educate out of others nonservice-oriented attitudes. The program has already resulted in some terminations and the company has high hopes for it.

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SPECIAL MUFSO ISSUE

- *Full Preview of '83 Conference—Pages 167-170*
- *Los Angeles Market Study—Pages 95-157*

Nation's
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The Newspaper of the Food Service Industry

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Red Robin Enterprises of Seattle (top) and Houston-based Spoons (recently acquired by Saga) are among the growing number of "gourmet" burger chains capturing attention.

Industry smells gold in 'gourmet' burgers

By Joe Edwards

"Gourmet" hamburger chains merchandising value, quality and ambience as much as their signature menu items are emerging as one of the hottest food-service concepts of 1983.

Filling a void in the market, this new breed of casual 'adult' fast-food restaurants is aimed at a wide mix of customers who were weaned on fast food but are thought to be growing tired of it.

Throughout the country and particularly in Texas, small "gourmet" burger chains are blossoming in a segment traditionally served by single-unit independent operators or unusual, privately held chains such as Beverly Hills-based Hamburger Hamlet.

The big difference now is these small but expansion-minded chains are attracting the attention of giant food-service corporations that are rushing to acquire chains with promise or develop their own imitation concepts.

Spurned by Dallas-based Chili's after two years of courtship, Pillsbury is testing a "gourmet" burger concept called J. J. Muggs in Florida

Saga Corp. picked up the five-unit, Houston-based Spoons, itself a Chili's clone, after Chili's turned down Saga's $35 million acquisition bid in June. W. R. Grace in April bought T. J. Applebee's and has opened a third unit. Pizza Inn is expanding its two-unit J. T. McCord's and Chart House is testing a concept called Moxie's.

Meanwhile, Red Robin Enterprises of Seattle is changing the menu and stepping up franchising for its 17-unit Red Robin Burger & Spirits Emporium; Sea Galley is developing a concept called Flakey Jake's, and Marno McDermott, Chi-Chi's founder, is getting ready to expand San Antonio-based Fuddrucker's.

New "gourmet" burger concept making big splash in Texas, story top of p. 3.

"When I put Chili's together, I didn't think we'd be this big," exclaims 39-year-old founder Larry Lavine who has spent a lot of time in recent months pouring over acquisition offers from numerous corporations and individuals. "But five years from now we'll be all over the country." Lavine has decided to hold onto the 25-unit Chili's.

(Continued on page 199)

Denny's to acquire Mex chicken chain

By Richard Martin

LOS ANGELES—Denny's Inc. has bid to acquire the $1 million per unit El Pollo Loco chain of Mexican chicken barbecues—one of the fastest growing new fast-food concepts to hit the Los Angeles market in years.

Under terms of a definitive agreement with 19-unit El Pollo Loco, Denny's will buy the Los Angeles-based chicken chain and worldwide expansion rights outside of Mexico, where the United States licensee's parent company operates 92 units in 20 cities.

Terms of the proposed cash transaction were not immediately disclosed, but a Denny's spokesman said the purchase price would likely fall in the $15 million to $20 million range.

(An unusual twist has spiced the deal with intrigue. *Nation's Restaurant News* has learned that Humberto Galvez and Harry Franklin, described as key principals of El Pollo Loco, have been missing from headquarters for months and their whereabouts are unknown.)

Pending finalization of the buy out, Denny's corporate and restaurant division staff have already moved to integrate the new division into Denny's financial and control systems. Managers of El Pollo Loco's five company-owned units, and owners of its 14 franchised outlets, have been processed through a "parental" orientation at the company's La Mirada, Calif., headquarters.

El Pollo Loco was founded in 1975 by Juan Pancho Ochoa, when he set up a roadside grill operation in the Pacific Coast town of Guasave, Sinaloa province, 1,000 miles south of Los Angeles. The chain had grown to 80 locations in Mexico when, in 1980, a division was established in Los Angeles.

The company's first fast-food unit in Los Angeles (a modern, 2,300-sq.-ft. shop with seating for 42) is now doing annual sales

(Continued on page 238)

Los Angeles-based El Pollo Loco, with annual unit sales around $1 million, could play a starring role in Denny's future.

Acquisition of Godfather's pending

Chart House seeks pizza power

By Donald Frazier

LAFAYETTE, La.—Chart House, the largest franchisee in the Burger King system and the operator of several dinnerhouse chains, has joined forces with the number two operation in the pizza market, Godfather's.

The resulting company will be one of the most prominent in the food service industry, with activities in several diverse segments ranging from fast food to steakhouses.

The deal, to be ratified soon, calls for Chart House to acquire the Omaha-based company for stock worth more than $306 million, according to a spokesman for the restaurant group.

Godfather's founder and chairman Willie Theisen will become vice chairman of Chart House, the company's largest single shareholder and with stock worth more than $125 million, one of the wealthiest individuals in the industry.

His company, with sales of more than $312 million for 1982, can nearly double the size of Chart House, which posted 1982 revenues of $382 million.

The acquisition adds a growth vehicle with an established track record to the Chart House stable of restaurant concepts. Godfather's, one of the industry's success stories of recent years, grew from a single unit to 836 units in 10 years, making the company the top challenger to pizza segment leader, Pizza Hut.

(Continued on page 237)

LATE NEWSBREAKS

Norman Brinker, Chili's chairman and former chairman of S&A Restaurants, has signed up four key executives from his old company. They are Eugene Knippers, who had been a Southeast development vp for S&A, as partner in an Atlanta-based joint venture deal; Chris Sullivan, who headed S&A's Bennigan's restaurants, and Robert Basham, Bennigan's operations vp, as executives in the Atlanta venture; Richard Spellman, S&A legal counsel, in a similar capacity with Chili's, and Ron McDougall, S&A marketing vp and briefly Burger King marketing vp, as Chili's marketing vp.

The 800-room Century Plaza Hotel in Los Angeles was sold out at presstime for *Nation's Restaurant News'* 24th annual Multi-Unit Food-Service Operators (MUFSO) conference Oct. 9-12. The overflow of a record almost 1,000 attendees is being accommodated at nearby hotels. (Earlier stories, Pages 167-170.)

Stouffer's now gunning for upscale hotel market

SOLON, Ohio—Stouffer Hotels is repositioning itself for a share of the upscale lodging market, opening what it terms "world-class properties" such as the Waverly in Atlanta and the Breckenridge Concourse in St. Louis.

Dramatic public spaces, eclectic restaurants and lounges and an array of guest services that include posh top-floor concierge levels characterize the new-look Stouffer hotels.

It's quite a change for the Ohio-based lodger that has a reputation for operating staid and somewhat unexciting inns in a handful of markets around the country.

By shifting direction, Stouffer Hotels is going after a segment dominated by such razzle-dazzle chain giants as Hyatt and Marriott. And by 1990, officials say, Stouffer will have 50 properties compared to the 20 it now operates.

"We have grown in both quantity and quality of hotels and guest services and we are continuing in that direction," explains Stouffer hotel division president William Hulett.

Stouffer's repositioning move is not unusual in the struggling hospitality industry. The chain's traditional competitors—Holiday Inn, Ramada Inn and other midpriced chains—have been rushing to develop upscale hotels at airport and suburban commercial sites and in downtown locations.

Several lodging chains are

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FINANCIAL NEWS

BK surge bolsters 1st-qtr. profits at Pillsbury

MINNEAPOLIS—Pillsbury's earnings surged more than the projected 25% in fiscal 1984's first quarter mainly due to the strong gains registered by Burger King, Steak & Ale and Bennigan's, company officials said.

While not releasing figures for the first quarter (June, July and August), company officials told stockholders at last month's annual meeting that operations alone led to the rise in profits.

The diversified food-products company expects restaurants to contribute 47% of operating profits in fiscal 1984, based on first quarter results. First quarter earnings a year ago were $25.6 million on $806 million sales.

Officials said Pillsbury's 1984 capital spending budget of $290 million will go mostly to expanding Burger King by 300 units and Bennigan's by 40 units.

Burger King's comparative advertising campaign launched a year ago has "helped immeasurably" to improve the chain's sales, according to Winston R. Wallin, Pillsbury's president and chief operating officer.

"Average sales of Burger King restaurants are running 20% above what they were just two years ago, a remarkable achievement," Wallin said. "Unit sales are drawing close to the $1 million mark and an important change in share of market is occurring."

Wallin continued: "I simply cannot emphasize how important this renewed vitality of Burger King is to Pillsbury. The leverage in this business is enormous and we are now seeing the results of these additional sales in our bottom line."

In the first two months of fiscal 1984, real store sales (total sales minus price increases) at Burger King were up about 12% over the same period a year earlier, continuing a trend that started a year ago when Burger King's "battle of the burgers" ad campaign began.

Average unit sales at Burger King reached $838,000 in fiscal 1983 and operating profit margins at comparable units reached 15.2%.

Bennigan's "continued to achieve excellent returns on invested capital" and posted real sales gains, Wallin said. Average unit sales are about $2.4 million at the 109 Bennigan's.

The 175-unit Steak & Ale chain posted 10% real average unit sales gains, Wallin said, adding that "profitability is excellent and a modest expansion program is under way."

J. J. Muggs, a two-unit "gourmet" burger chain Pillsbury's Steak & Ale Restaurant Corp. is testing in Florida, could "follow Bennigan's as the next growth vehicle," Wallin said. The newly acquired Häagen-Dazs ice cream chain will be expanded domestically and overseas from its 250-unit base.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended Sept. 23							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio	Last Fiscal Year (Per Share)		Last Balance Sheet Date
Name	Symbol	High	Low	Close	Change Amt	Change Pct	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt	Pct			Latest P/E Ratio	Amt	Yield		Revenue	Earnings		Long Term Debt	Common Stock Equity	
		$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Acapulco Y Los	ALAR	7.00	6.25	7.00	.63	9.80	7.88	5.00	.28	.99	4.81	-16.10	.05	.10 N	500.0	-8.0	.3	58.3	.00	.0	01-06-81	37.1	.1	1.4	6.13	2.99	1082
Am Motor Inns	INN	32.25	30.75	32.13	.63	1.98	38.50	19.38	-.27	.33	-.15	-32.95	2.52	.42 F	20.0	53.0	7.9	12.7	.25	.8	08-10-83	175.1	13.9	1.6	15.08	13.00	0782
ARA Services	ARA	53.75	50.25	52.00	.00	.00	55.00	31.25	.24	-.32	-.36	1.41	3.43	.52 N	15.0	-2.0	1.4	13.1	2.05	3.9	08-26-83	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	16.75	16.00	16.25	-1.00	-5.80	18.50	3.66	-.01	-1.07	-4.30	-21.67	.39	.13 N	30.9	-7.0	2.2	29.5	.12	.7	07-05-83	78.6	1.7	1.6	4.40	5.05	0982
Beefsteak Char	BCS	7.13	5.38	5.75	-1.25	-17.86	9.75	4.50	-.38	-4.24	2.85	-10.83	.88	-.28 N	-35.4	32.0	3.7	11.3	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	23.75	22.75	23.75	.16	.66	26.81	14.41	-.40	.15	1.40	-32.31	.89	.07 Q	8.2	23.0	6.9	25.8	.26	1.1	09-19-83	187.5	13.0	3.0	.00	5.54	0483
Bonanza Intl Inc	BNZA	7.38	6.13	6.13	-1.25	-16.95	7.38	1.75	-.10	-2.32	-.78	-18.22	.11	3.06 S	NE	-85.0	3.1	30.6	.00	.0	00-00-00	16.1	.5	1.6	9.70	1.67	1282
Brock Hotel Cp	BHC	8.38	7.00	7.38	-.63	-7.81	14.00	6.88	-.03	-1.76	3.53	-41.35	.55	-.54 S	-76.0	4.0	2.8	43.4	.10	1.4	06-13-83	255.6	7.1	1.1	16.64	4.38	1282
Calny Food	CLNY	15.00	14.25	14.25	-.75	-5.00	17.25	6.66	-.15	-.96	3.23	47.00	.80	.14 Q	20.2	8.0	4.6	17.2	.20	1.4	07-27-83	30.2	1.4	.4	3.71	2.24	0283
Captain Crabs	CRAB	8.13	7.00	7.00	-1.25	-15.15	8.38	1.00	.63	-3.34	-1.65	22.68	.00	.00 N	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Cp	CRL	11.88	10.63	10.75	-.75	-6.52	11.88	2.19	.76	-1.27	-.91	-14.38	.50	.28 F	127.2	437.0	3.6	21.5	.06	.6	08-29-83	85.2	3.1	.6	3.28	2.00	0582
Chart House	CHHO	37.25	34.63	36.63	2.25	6.55	37.75	20.63	.37	-.73	3.66	13.41	2.08	.09 S	4.3	15.0	4.9	16.9	.60	1.6	09-20-83	382.0	18.7	1.0	9.21	13.12	1282
Chi-Chis	CHIC	37.75	36.88	37.25	.13	.34	37.75	14.00	.24	-.54	-2.43	-34.61	.59	.34 Q	100.0	456.0	9.4	54.8	.00	.0	12-20-82	94.2	8.9	2.6	2.81	2.43	0483
Ch Full O Nut	CHF	20.25	18.88	20.13	.00	.00	24.38	12.50	-.09	.54	-.01	-21.90	.64	.23 F	56.0	-3.0	2.9	31.4	.50	2.5	07-15-83	111.6	3.2	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	24.50	22.00	23.38	-.88	-3.61	33.50	20.59	-.70	-.35	4.47	13.20	2.19	-.06 S	-2.6	14.0	10.1	10.5	.72	3.1	07-25-83	413.1	41.6	1.8	.62	11.74	1282
Cindys Inc	CNDYC	3.88	3.75	3.75	-.13	-3.23	4.00	3.00	-.02	-.86	-3.34	-42.62	.13	.46 S	NE	87.0	2.1	12.9	.00	.0	00-00-00	14.3	.3	.0	4.63	.43	1282
Collins Foods	CF	18.88	17.75	18.38	.00	.00	19.84	10.59	.19	-.48	-4.63	-7.44	1.47	.32 Q	26.0	29.0	3.8	11.9	.20	1.1	09-23-83	324.4	12.4	1.8	4.14	8.71	0483
Consul Corp	CNSL	18.75	18.00	18.50	.25	1.37	18.75	8.00	.35	-.35	1.31	4.49	.26	.33 Q	NE	133.0	2.5	59.7	.00	.0	00-00-00	32.4	.8	.7	2.21	2.88	0582
Cracker Barrel	CBRL	22.50	21.50	22.50	.75	3.45	27.34	7.16	-.18	-.06	-4.75	-6.61	.86	.17 F	24.6	29.0	4.4	26.2	.14	.6	08-30-83	45.7	2.0	1.9	3.57	4.46	0782
Dennys Inc	DEN	33.00	29.00	32.25	2.25	7.50	36.88	26.38	-.20	-.23	3.17	.46	2.54	.14 F	5.8	11.0	3.8	12.7	.72	2.2	09-02-83	1054.6	40.2	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	24.38	23.63	24.38	.13	.52	28.75	13.59	.36	.31	-2.81	-9.94	1.40	.22 N	16.2	25.0	9.4	15.5	.28	1.1	08-15-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	26.25	23.75	26.25	1.63	6.60	26.88	9.63	.04	1.99	-2.20	47.37	1.92	.12 F	6.6	22.0	3.7	13.7	.40	1.5	09-28-83	110.6	4.1	1.3	5.95	15.14	0583
Godfathers Pizza	GFPZ	20.38	19.00	19.63	-2.25	-10.29	25.50	12.38	.33	-1.19	5.13	-87.31	.65	-.01 S	-1.5	115.0	15.8	30.7	.00	.0	00-00-00	37.9	6.0	2.1	.55	1.99	1282
Hambrg Hamlet	HAMB	11.50	11.00	11.00	-.50	-4.35	12.00	5.75	-.41	-1.36	3.25	-23.75	-1.10	-2.45 F	-181.4	-22.0	-2.4	NE	.00	.0	00-00-00	34.0	-.8	.7	20.45	13.07	0382
Hardwicke	HAWK	.63	.63	.63	.00	.00	2.00	.63	-1.46	.00	-1.61	-34.78	-12.59	-9.67 Q	NE	-137.0	-89.4	NE	.00	.0	00-00-00	27.4	-24.5	.3	12.03	-4.31	0982
Hilton Hotels	HLT	56.88	54.75	56.00	1.38	2.52	60.25	34.88	-.06	-.40	-.47	-2.64	3.04	-.83 S	-22.0	8.0	14.4	19.0	1.80	3.2	08-29-83	562.9	81.3	2.0	6.73	21.31	1282
Holiday Inns	HIA	56.50	51.50	56.50	3.50	6.60	59.00	31.00	.09	.77	-2.96	-27.34	2.50	.16 S	5.8	13.0	6.8	19.6	.84	1.5	09-12-83	1425.3	97.2	.9	11.74	25.35	1282
Horn & Hardart	HOR	29.38	26.50	26.75	-.13	-.47	32.34	11.69	.59	-2.12	-.57	-21.04	.74	.37 S	62.7	952.0	2.8	27.9	.00	.0	07-12-83	235.4	6.6	1.1	9.46	4.77	1282
Hungry Tiger	HTIG	10.00	9.63	10.00	-.25	-2.44	12.25	5.34	.32	-.33	.19	8.19	.78	-.21 N	-25.9	17.0	3.8	16.7	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0882
Impenal Grp	IMT	1.81	1.63	1.81	.13	7.41	2.06	1.56	-.21	-1.48	-1.51	2.94	.47	-.10 S	-17.2	6.0	2.6	3.8	.11	6.1	09-27-83	7742.8	198.3	1.1	.54	1.92	1082
Intl Dairy Queen	INDQ	35.00	33.50	35.00	2.50	7.69	40.00	16.25	-.10	.02	2.13	-34.04	2.17	.68 S	36.7	62.0	6.3	13.8	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	21.50	19.75	20.25	-.50	-2.41	22.94	3.00	-.08	-.86	-3.36	-15.46	.92	.72 F	360.0	696.0	4.8	22.0	.00	.0	08-15-83	50.0	2.4	.3	2.46	2.26	0682
JBs Rest	JBBB	16.63	16.25	16.50	-.25	-1.49	18.13	6.63	.00	-.36	5.06	18.09	.93	.21 N	25.3	12.0	3.5	15.9	.20	1.2	08-08-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	20.63	19.38	19.38	-.25	-1.27	23.50	16.75	.48	-.88	-.78	12.09	1.33	-.07 F	-5.0	27.0	4.6	14.6	.12	.6	08-18-83	454.1	21.0	.9	2.91	8.99	0682
Kapok Tr Inns	KTI	8.38	6.63	6.63	-1.63	-19.70	10.75	3.00	-.70	-5.27	2.61	24.75	-.37	-.54 N	NE	-52.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	17.00	15.88	15.88	-1.00	-5.93	24.50	12.13	-.18	-1.97	-5.76	1.79	.40	.09 Q	27.2	57.0	5.9	37.8	.00	.0	10-13-82	40.8	2.4	.9	.89	4.40	0382
Karcher Carl	CARL	34.00	32.00	34.00	1.00	3.03	34.13	12.50	.15	.41	2.97	-40.27	1.32	.29 Q	24.5	23.0	4.0	23.1	.00	.0	02-16-83	231.0	3.3	2.4	8.31	8.13	0183
Lubys Cafe	LUB	33.63	32.38	33.63	.63	1.89	35.00	22.00	-.11	.00	3.29	-30.00	1.35	.18 N	13.8	30.0	9.1	22.7	.60	1.8	09-02-83	127.3	11.6	1.9	.64	6.79	0882
Marcus Corp	MRCS	14.50	13.25	14.50	1.00	7.41	15.13	6.75	.20	1.46	6.81	27.06	1.28	.15 F	13.2	5.0	6.1	11.3	.25	1.7	07-01-83	108.9	6.6	.8	2.98	9.76	0582
Marriott Corp	MHS	77.25	75.00	76.50	.63	.82	81.00	44.63	-.10	-.04	-1.37	4.14	3.44	.43 S	13.0	37.0	3.7	20.6	.36	.5	09-19-83	2541.4	94.3	.9	33.49	19.43	1282
McDonalds Cp	MCD	66.13	61.38	65.63	3.38	5.42	74.50	53.38	.35	.21	-2.66	21.33	5.00	.63 S	13.4	23.0	11.1	12.4	1.00	1.5	07-15-83	2715.2	300.6	.5	17.62	25.51	1282
Morrison Inc	MORR	20.00	19.25	20.00	.13	.63	21.06	11.44	.13	.03	-1.61	14.77	1.34	.24 F	21.8	11.0	4.4	14.9	.40	2.0	08-01-83	421.5	18.7	1.4	2.81	7.52	0582
Mr Steak	MSST	10.38	9.00	10.13	1.25	14.08	10.50	2.00	.46	-.16	4.77	-4.38	-.98	-.17 N	NE	-38.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.75	2.63	2.75	.00	.00	2.75	.94	1.22	-.24	3.89	28.21	.09	.06 F	200.0	34.0	1.1	30.6	.00	.0	09-09-83	17.5	.2	.8	.05	1.79	0383
Naugles Inc	NAUG	20.75	19.75	20.50	-.13	-.61	32.75	10.50	-.78	-.29	-2.84	17.93	.70	.11 F	18.6	162.0	3.6	29.3	.00	.0	11-01-82	86.7	3.1	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	16.00	16.00	16.00	.00	.00	18.50	11.00	-.42	-.24	4.51	-82.14	.69	-.81 N	-90.0	-10.0	.4	177.8	.32	2.0	06-09-83	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	6.00	5.38	5.88	.38	6.82	7.88	4.38	-.19	2.24	.20	12.11	-.25	-.41 N	-273.3	17.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0882
Peoples Rest	PEPL	12.38	11.88	12.25	-.50	-3.92	15.13	5.75	-.48	.45	-.84	-23.30	.28	.09 F	47.3	771.0	7.0	43.8	.00	.0	00-00-00	27.3	1.9	.5	.75	2.39	0682
Piccadilly Caf	PICC	14.38	13.13	14.38	.75	5.50	18.13	12.75	-.52	1.66	-.72	-6.80	.99	-.40 F	-28.7	7.0	3.9	14.5	.60	4.2	09-09-83	152.7	6.0	1.9	.00	7.29	0682
Pizza Inn	PZA	13.88	11.88	13.50	.38	2.86	17.50	4.22	-.47	-.19	-2.76	19.44	.55	.44 S	97.7	5.0	1.3	15.2	.04	.3	07-12-83	135.1	1.7	.9	12.32	6.63	1282
Pizza Time Thea	CHKY	14.88	12.75	13.25	-1.50	-10.17	26.00	12.00	.05	-1.77	-4.89	3.77	1.27	-.81 S	-75.7	268.0	7.6	51.0	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	21.38	18.25	20.63	1.63	8.55	25.25	13.50	.24	.33	2.21	-10.28	1.50	.13 S	9.1	-3.0	2.8	13.3	.33	1.6	09-21-83	376.7	10.4	.8	8.03	12.43	0283
Ramada Inns	RAM	10.75	9.50	10.63	.88	8.97	11.88	4.25	-.32	1.90	-1.35	42.12	-.73	-.45 S	NE	-38.0	-3.6	NE	.00	.0	10-19-81	547.5	-19.8	.6	18.50	5.12	1282
Restaur Assc	RA	9.00	8.38	8.38	-.63	-6.94	11.38	4.00	-.29	-1.64	-4.08	-29.89	.77	.06 S	9.2	40.0	1.8	11.8	.00	.0	00-00-00	104.8	1.9	1.0	3.98	7.15	1282
Ryans Fam Steak	RYAN	26.75	25.25	25.50	-.50	-1.92	28.25	3.56	-.03	-1.14	3.98	-60.80	.33	.07 S	21.8	89.0	10.6	65.4	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	35.00	32.25	34.88	1.25	3.72	40.25	15.00	-.30	-.06	-.33	-13.69	2.19	.51 F	30.3	98.0	2.3	15.9	.36	1.0	08-15-83	978.8	22.4	.9	4.26	8.86	0682
Sandwich Chef	SHEF	14.25	13.50	13.50	-.75	-5.26	15.50	11.50	.39	-.83	-2.66	12.73	.70	.70 F	NC	30.0	4.5	19.3	.00	.0	00-00-00	20.2	.9	.6	.50	3.42	0682
Sea Galley	SEAG	11.75	10.25	10.75	-1.25	-10.42	15.00	5.50	-1.09	.81	-3.42	9.75	.02	-.93 S	-152.4	-15.0	-.6	NE	.00	.0	06-02-81	70.1	-.4	1.3	5.10	4.90	1282
Servico Inc	SRVI	16.25	15.25	15.25	-.75	-4.69	17.94	7.97	-.02	-1.54	-.53	18.85	.67	-.40 S	-41.6	27.0	1.5	27.2	.00	.0	09-09-83	138.1	2.1	1.1	59.81	5.64	1282
Shoneys Inc	SHON	23.25	22.38	22.50	-.75	-3.23	27.38	15.75	-.20	-.40	-3.51	-12.34	.86	.25 S	34.7	28.0	5.1	23.2	.15	.7	10-03-83	324.9	16.6	1.0	2.65	5.02	1082
Sizzler Rest Intl	SIZZ	13.00	11.50	12.00	-1.25	-9.43	16.25	8.50	.09	.00	-3.58	2.66	1.01	1.09 Q	NC	18.0	4.5	11.0	.00	.0	00-00-00	128.0	5.8	1.0	2.33	4.63	0482
Skippers	SKIP	13.25	11.75	12.00	-.75	-5.88	15.50	4.16	-.30	-.49	-1.83	-15.80	.48	.46 S	135.2	19.0	2.6	15.0	.08	.7	03-31-83	38.1	1.0	.5	3.38	6.69	1282
Sonesta Hotel	SNSTZ	15.50	15.50	15.50	.00	.00	16.50	13.50	-.22	-.29	5.62	91.67	.28	-.14 S	-21.5	-1.0	.9	30.4	.20	1.3	06-13-83	80.1	.7	1.1	26.22	9.51	1282
So Hospitality	SHOS	5.00	4.75	4.75	-.25	-5.00	7.50	1.38	-.76	-.34	-2.38	-21.08	.27	.09 Q	42.8	102.0	3.8	15.8	.00	.0	00-00-00	26.3	1.0	.8	4.32	.24	0583
Steak n Shake	STAK	8.38	6.63	6.63	-1.75	-20.90	9.25	2.63	-.45	-7.05	1.66	25.80	.18	.15 N	166.6	-12.0	1.4	27.6	.00	.0	05-17-79	57.2	.8	1.1	4.94	2.76	0982
Victoria Stations	VSTA	9.00	8.00	8.63	-.63	-6.76	13.63	5.00	-.36	-.11	9.90	-91.11	-2.39	-2.76 Q	-725.0	-79.0	-7.1	NE	.00	.0	09-19-79	111.9	-8.0	.6	8.39	8.51	0383
Wendys Intl	WEN	16.25	15.13	15.63	-.25	-1.57	19.63	12.09	-.10	-.27	1.96	1.45	1.13	.15 S	14.2	22.0	7.3	13.0	.24	1.5	08-08-83	604.3	44.1	.8	2.53	6.50	1282
Webb Del E	WBB	20.25	17.88	20.00	1.63	8.84	25.00	6.50	-.05	2.13	2.93	34.95	.16	.38 S	NE	-23.0	.5	666.7	.00	.0	11-07-80	311.2	1.5	.9	11.32	13.71	1282
Western Steer	WSMP	13.50	13.00	13.00	-.25	-1.89	17.50	8.00	-.16	-.23	2.69	14.60	.92	-.13 S	-11.8	6.0	3.1	13.4	.16	1.2	08-29-83	28.8	.9	1.3	6.21	7.23	0283
Winners Cp	WNER	14.00	13.75	13.75	-.25	-1.79	17.13	8.44	-.28	-.26	1.80	-3.46	.63	.01 S	1.6	11.0	2.6	22.5	.00	.0	03-10-83	83.1	2.2	.5	7.06	6.43	1282

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Calny	3 mos.	5/21	$ 8.1	24.0			$ 0.291	30.0
El Chico	3 mos.	8/26	18.1	20.0			0.970	—
Bob Evans Farms Restaurant div.	3 mos.	7/29	30.0	15.0			2.500	13.0
Shoney's	3 mos. 9 mos.	8/7			$ 98.0 297.0	23.0 24.0	6.300 16.900	35.0 21.0
Vicorp Restaurants	3 mos. 9 mos.	7/24	28.2 53.0	193.0 93.0	30.3 59.4	148.0 73.0	1.600 2.900	159.0 101.0
Chock Full o'Nuts	3 mos. 12 mos.	7/31	27.7 111.6	14.0 16.0			0.620 4.600	— (15.0)
Western Steer—Mom 'N' Pops	3 mos. 6 mos.	8/12			7.9	26.0	0.231 0.456	14.7 27.1
Family Entertainment	3 mos. 6 mos.	7/3	5.8 11.1	148.0 190.0			0.240 0.515	— —

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Chock Full o'Nuts profit down 15%

NEW YORK—Chock Full o'Nuts, which recently made a deal which will take it out of the restaurant business, posted a 15% decline in net profits to $4.6 million for the year ended July 31, compared to fiscal 1982.

Sales meanwhile gained 16% to $111.6 million.

For the fourth quarter, Chock posted a $620,000 net profit compared to a $111,000 loss last year. Fourth-quarter sales increased 14% from the same time last year to $27.7 million.

Chock roasts and distributes premium-priced coffee. It recently transferred the lease-holds to 19 of its New York luncheon-counter restaurants to the Riese Organization which is in the process of installing new concepts in some of the sites.

Meanwhile, the internal ownership struggle for Chock has gained momentum again. Retailing mogul Milton Petrie, who had been expected to act on Chock's behalf, instead threw his 120,000 shares behind the dissidents who raised their stake to 23% from 17.5% recently.

Chock, in releasing its financial results, noted that last December's proxy battle cost the company $1.3 million.

Shoney's net profit rises 35% in third quarter

NASHVILLE—Shoney's achieved a net profit increase of 35% to $6.3 million in the third quarter ended Aug. 7, compared to the same quarter last year.

Revenues rose 23% to $98 million in the quarter.

For the 40-week period ended Aug. 7, net profit jumped 21% to $16.9 million, while revenues increased 24% to $297 million.

Raymond L. Danner, chief executive officer, said revenue increases were due to a "strong customer count." He also said pretax margins increased from 10.5% to 11.5% for the quarter.

Shoney's had 1,032 restaurants in operation at quarter's end—412 company-owned and 620 franchised. During the quarter the company opened 36 restaurants: eight Shoney's, 14 Captain D's and 14 Lee's Famous Recipe.

Vicorp earnings up 159% in qtr.

DENVER—Vicorp Restaurants Inc. reported net profit up 159% to $1.6 million for the third quarter ended July 24, to $1.6 million, compared to the same quarter last year.

Revenues went up 148% to $30.25, million and company-owned restaurant sales jumped 193% to $28.2 million.

For the first three quarters net profit was up 101% to $2.9 million. Revenues rose 73% to $59.4 million and company restaurant sales went up 93% to $53 million.

Vicorp had a total of 250 restaurants—122 company-operated and 128 franchised—at the end of the quarter. Last year at the same time there were 178 restaurants in the system.

Company-operated Village Inns had record sales, Vicorp said, "reflecting growth in customer counts and per customer expenditures."

Profit margins at Village Inns were about 16.8% for the quarter, the company reported.

The Rose and Varieties, concepts which make up Vicorp's specialty restaurant group, have "yet to make a positive earnings contribution due to startup costs and the necessity for fine-tuning operational procedures."

New specialty restaurants were opened during the quarter in Charlotte, N.C., and Virginia Beach, Va.

On May 2 Vicorp acquired Poppin Fresh Pies from Pillsbury. According to the company, "The contribution of Poppin Fresh operations has exceeded our initial expectations and, for the first time in several years, both restaurant sales and operating margins have improved over the prior year."

At quarter's end there were 56 company-owned and 123 franchised Village Inn Pancake Houses, 59 company-owned Poppin Fresh Pies, 4 company-owned and 4 franchised Rose restaurants, 1 company-owned Varieties, 1 franchised and 1 company-owned Tortilla Flats, and 1 steakhouse that will be converted to a Rose.

Peter Doane, chief financial officer, said the company would open three Village Inns and one Varieties during the quarter and franchisees would probably open three Village Inns.

El Chico posts $970G net profit

DALLAS—El Chico, a Mexican restaurant chain based here, has reported net income of $970,000 for its first quarter ended Aug. 26. No figure is available for last year's comparable period when El Chico was a Campbell Taggart subsidiary.

Sales for the period were up 20% over last year to $18.1 million.

Last November Gilbert Cuellar, whose family opened the first El Chico in Dallas in 1940, bought the chain back from Anheuser-Busch, which had purchased it in the acquisition of another company the previous year.

Cuellar attributed the increase in sales to three factors: the remodeling of 11 restaurants, increased advertising and a favorable response by customers to El Chico's return to family ownership.

There are 75 company-owned and 10 franchised El Chicos, and four company-operated theme restaurants.

Family Entertainment net hits $240,133

ROCKVILLE, Md.—Family Entertainment Centers, franchisee of 16 Chuck E. Cheese Pizza Time Theater units, reported net profits of $240,133 during the second quarter ended July 3, after reporting a loss in the same quarter last year of $21,765.

Sales for the quarter rose 148% to $5.8 million from $2.3 million during the comparable period last year.

For the first half of the fiscal year, net income was $515,007, compared to a loss in that period last year of $72,757. Sales increased 190% in the first six months to $11.1 million, compared to $3.8 million last year.

Despite the gains in total sales and profits, sales per unit and operating income were "disappointing," said Patrick A. Hopf, chairman and president.

To increase customer counts, Family Entertainment rolled out new pizza products with slightly lower prices in July, said Hopf, who added that "customer reponse has been extremely encouraging." He also said that new sandwiches and a pasta product would be added to the menu.

In addition, said Hopf, the rate of unit growth of Pizza Time Theater has been reduced. It opened two new centers in the second quarter and sold two units in Sunnyvale, Calif., to the franchisor, which is also located in Sunnyvale. The purchase price was $2.7 million in cash and notes. Family Entertainment plans to open one or two more.

The company also plans to open its first G. D. Ritzy's Luxury Grill & Ice Cream Restaurant this year. It has signed a franchise agreement to develop a minimum of 60 G. D. Ritzy's in the Washington, Baltimore and Central Pennsylvania areas.

Major Pizza Hut franchisee going public

TULSA, Okla.—A&M Food Services, the third largest Pizza Hut franchisee, has become the first franchise company in the system to go public in more than 10 years. At present it is one of only two publicly held Pizza Hut franchisees.

An offering of 1.1 million shares in late September, at $6.50 a share, netted the company $5.4 million, said William C. Ferril, president and chief operating officer.

The proceeds will be used to reduce debt, develop additional restaurants, acquire and develop new franchise territories and remodel units.

A&M currently operates 82 Pizza Huts in six states. Three more units will open this year—two in Minnesota and one in Oklahoma—according to Ferril. Future development will principally be in the Minneapolis area, he said.

Sales in fiscal 1981 at A&M were $20.9 million and net profit was $713,000.

Ferril said A&M's long-range plans included the acquisition of other Pizza Hut franchisees. He noted that being a public company gave A&M some leverage in pursuing acquisitions because of tax-free exchanges of stock.

The last Pizza Hut franchisees to go public were Pizza Corp. of America and Central Development Inc., in 1970. Pizza Hut Inc. acquired Pizza Corp. a few years later, but Central Development has remained a separate, publicly held company.

A&M Food Services traces its roots to 1961 when Pat Murphy became the original Pizza Hut franchisee in Oklahoma. In 1964 he formed a partnership with W. S. Atherton, who is currently chairman and chief executive officer. The corporation A&M Food Services was formed in 1973.

Last year A&M merged with Pizza Huts of the Northwest, a 19-unit franchisee based in Minneapolis and formed in 1975 by Ferril, who had been vice president of finance for Pizza Hut Inc. in Wichita. Pizza Huts of the Northwest is now a 21-unit, wholly owned subsidiary of A&M, headed by Ferril, who has been named president and chief operating officer of the newly public parent company.

One of the three new units A&M expects to open this year is different in some respects from others the company operates. It is located in a commercial area on the University of Minnesota's campus in Minneapolis.

While it will be one of the largest units in the company, at 6,000 sq. ft. with two separate dining rooms in earth tones, it will also focus heavily on delivery service on campus. This will put it in direct competition with the nation's largest pizza-delivery chain, Domino's.

This is a test program approved by Pizza Hut Inc. A&M has also been operating a full-service, dining-and-delivery Pizza Hut at the University of Arkansas campus.

For the 24-week period ended June 14, A&M's sales increased 22.5% over the corresponding period last year. The company attributed the increase to the opening of a new unit and the success of the new lunchtime product, Personal Pan Pizza.

Godfather's acquires Pizza Ventures

OMAHA—Stockholders of Pizza Ventures, formerly the largest franchise company in the Godfather's Pizza system, last month approved its acquisition by Godfather's.

This move now gives Godfather's operational control and ownership of 197 restaurants in the 811-unit chain.

Godfather's said it would issue more than six million shares of its common stock to Pizza Ventures stockholders, who would receive 1.5 shares for each Pizza Ventures share they held. Both were public companies.

The acquisition coincides with the news of a pending major deal in which Chart House, the largest franchisee of Burger King, will purchase Godfather's in an exchange of stock valued at about $360 million.

Taco Bell franchisee makes public offering

SAN MATEO, Calif.—Calny, the largest franchisee of Taco Bell restaurants, has made a public offering of one million shares to common stock at $14.25 a share.

Proceeds from the sale will be used mostly to repay debts incurred in the recent acquisition of 24 Taco Bells. The rest will be used to finance capital improvements in existing restaurants